

**Minutes  
State Board of Education  
Monday, April 26, 2004**

The Arizona State Board of Education held its monthly meeting at the Heritage Middle School, 1076 North Road One West, Chino Valley, Arizona. The meeting was called to order at 9:50AM.

**Members Present**

Ms. Nadine Mathis-Basha, President  
Dr. Matthew Diethelm, Vice President  
Armida Bittner  
Ms. JoAnne Hilde  
Superintendent Tom Horne  
Ms. Joanne Kramer  
Dr. John Pedicone

**Members Absent**

Dr. Michael Crow  
Ms. Evangelina "Conkie" Hoover

***Board Business***

Pledge of Allegiance, moment of silence and roll call. Ms. Jessica Korbel, a student at Chino Valley Middle School, sang the national anthem.

Ms. Basha expressed thanks to the Chino Valley School District for hosting today's State Board meeting and noted that out of 400 students, 300 are involved in the music program. In addition, Ms. Basha stated that the Board members are passionate about getting out of the metropolitan area, seeing other people and hearing about other programs and apologized for the late start due to traveling constraints.

*Item 3 was heard at this time in the interest of Ms. Robertson's teaching schedule.*

***Minutes for State Board of Education***

Motion by Dr. Diethelm to approve minutes as written for the State Board of Education meeting and Executive Session on March 29, 2004. Seconded by Dr. Pedicone. *Motion passes.*

**2. WELCOME AND OPENING REMARKS**

A. Dr. Paul Street, Yavapai County School Superintendent

Dr. Street addressed the Board and stated they were delighted to have the Board members in this community and thanked them for being pro-active in coming to Chino Valley. Dr. Street highlighted the five statutory requirements of the County Superintendent in Yavapai County:

- Provide fiscal accounting services for the 25 districts in the county;
- Provide education for the gated communities; county jail and juvenile detention center;
- Oversee school elections, which include school boards, bonds, overrides, recalls, and appointments to school boards;
- Oversee home schooling; and
- Operate alternative accommodation high schools.

In addition, the County School Superintendent Office name was changed two years ago to the County Education Service Agency providing opportunities for partnering with groups and apply for grants that were not available before. These opportunities include:

- Dr. Street noted that Superintendent Horne has been pro-active in reaching out to the County School Superintendents through the Reading First, Math and Science Consortiums and the Rural County Consortium. Partnering with the Arizona Department of Education allowed them to provide services to schools in five counties: Maricopa (1 school), La Paz (all schools), Yavapai (all schools), Mohave (1 school), Coconino (2 schools). Dr. Street stated the rural county consortium has been a great

tool to break down the county lines.

- An ELL consortium was formed to assist 13 school districts in accessing available funds by meeting minimum requirements.
- Formation of a Special Programs Division designed for small and rural schools, which provides nurses, counselors, psychologists, speech and occupational therapists to schools in the county at a great cost savings.
- Professional Development workshops for school board members, coordinated with ASBA, as well as for administrators, teachers, librarians and maintenance personnel in Yavapai County.
- Partnership with Yavapai College to assist para-educators come into compliance with No Child Left Behind.
- Partnership with Rodel Foundation to provide Math Achievement Clubs to high poverty schools in Yavapai County, now offered to six schools with two more being added next year as well as fourth grade being added next year.
- A \$500,000 grant through the Omnibus bill and Congressman Renzi, to be spent on professional development over the next four years that addresses goals 1, 2, and 3 of NCLB and lines up with Superintendent Horne's new initiative of better teachers as well as utilizing ADE's Reading First program. This professional development program will target all teachers of ELLs helping them to improve delivery of instruction, and all county math and science teachers as they get ready for the new articulated standards and AIMS tests. This will provide in-depth training and sustainability to these programs and affect all teachers in Yavapai County.
- Established a countywide foundation to honor teachers in Yavapai County, 67 of whom will be honored next week at the tenth-year celebration. From that list, one will be selected as the county's teacher-of-the-year and outstanding administrator. In addition, mini-grants have been delivered to teachers through this program, as well as textbook grants. Sixty school districts have signed up, some government agencies, ASU and the Arizona Supreme Court. The service provides a savings to these entities and the profits will be used for services for the schools.

The County School Superintendent believes that service is their middle name and they are there to serve the schools of the county with the whole spectrum of education, and acknowledge their partnerships with the ADE and others are what have made these accomplishments possible.

Ms. Hilde commented that, as the voice of the rural schools, Dr. Street has been a great resource.

Superintendent Horne added that Dr. Street's efforts are appreciated. The direction in the Arizona Department of Education is to put more and more education responsibilities with the county and Dr. Street is an example of the talent and leadership in the counties. Ms. Bittner stated that as a fellow county school superintendent, she has a good working relationship with Dr. Street and that he is most cooperative and collaborative.

Dr. Diethelm asked Dr. Street what the top two problems/challenges/opportunities will be in the future, to which Dr. Street responded the top priority will be in dealing with growth, particularly in the Spanish population and the new challenges this will bring. Most of their teachers are not trained to deal with these kinds of changes. The number one goal will be to help their teachers be successful in the classroom so the children will be successful citizens.

B. Ms. Linda Nelson, Chino Valley Unified School District Superintendent

Ms. Nelson welcomed the State Board of Education members and staff and echoed Dr. Street's comments regarding the fact that they are a very collegial group in Yavapai County. Ms. Nelson welcomed everyone on behalf of the following:

- Robert Rinan, Local Governing Board Chair

- Harold Tenney, Principal, Heritage Middle School
- Kent Evans, Principal, Del Rio Elementary School
- Grant Turley, Principal, Territorial Elementary School
- Scott Muir, Assistant Principal, Heritage Middle School
- Kevin Kapp, Superintendent, Prescott Schools
- Dr. Henry Schmidt, Superintendent, Humboldt County
- Julie Larson, Superintendent, Cottonwood/Oak Creek
- Barbie Orand, Assistant to Julie Larson
- Karen Ward, Principal, Liberty Elementary and soon-to-be Principal, Beaver Creek
- Vicky Elkins, Superintendent, Black Canyon City
- Kathy O'Connell, Principal, Mingus Springs

Ms. Nelson noted this meeting was being held in Heritage Middle School's music room, which is decorated with antique musical instruments and K-12 district artwork. In addition, the middle school jazz band is scheduled to perform during lunch. Packets of information were provided which include information about the many programs and activities of the Yavapai County schools as well as the Chino Valley Schools report cards. (See materials packet provided)

3. INTRODUCTION OF THE 2004 TEACHER OF THE YEAR. Mr. Kapp, Superintendent, Prescott Unified School District, introduced Ms. Jane Robertson, First Grade Teacher at Abia Judd School, Prescott, stating that she is the epitome of what goes on in the classroom in this state and in the country, and she is a level above. Ms. Robertson will be the teacher that the students remember their whole lives.

Ms. Robertson addressed the State Board stating that she felt honored, but not worthy of the honor of being named "Teacher of the Year." However, she has enjoyed several exciting experiences as a result. As she has met teachers from all over the state and country, she sees opportunities to validate what teachers are doing and talk about issues of interest to teachers. They have a calling to teach and feel that liberty and justice for all rides on the back of education. Ms. Robertson quoted Thomas Jefferson; "There are extraordinary capabilities in ordinary people given the opportunity." Ms. Robertson stated that we have the ability to think anew and act anew and to do something about the challenges that confront us, but it is ordinary people doing extraordinary things every day for children and urged the members to keep the kids in mind.

4. Presentation and Discussion with Invited Northern Arizona Charter Schools Regarding Issues of Operation and Management, Including, But Not Limited to Charter School Administration and Resource Management.

1. Mingus Springs

Ms. Kathy O'Connell, Administrator, presented information regarding Mingus Springs (see materials packet) and emphasized the following points:

- One of the first schools chartered in the first year
- Offer multi-age classrooms
- Constantly training staff and teachers to be better
- Important to keep school small and manageable
- Child-centered, responsive to parents
- Broad vision of where they are going
- Appreciate the support and best practice information from the ADE
- Charter schools are a compliment to district schools with a growing relationship

Ms. Basha commended the charter schools and district schools for the collaboration especially as it affects the children who could get lost in the cracks of the system.

2. Tri-City Prep

Dr. Mary Ellen Halverson, Director, gave her analogy of the charter school movement, likening it to the medical profession where everyone has a family doctor, the general practitioner, but sometimes a specialist is needed. Charter schools look for a niche that needs to be filled in the community that they can offer as a specialty. Tri-City Prep provides:

- college preparatory education for high school students
- small school atmosphere allowing more involvement
- high rate of students going to college (98%) with half of those students attending college on scholarships
- large music program (each student is provided a violin and has to learn to play)
- atmosphere that “talks college”
- school that is financially successful even though there is not a property tax base
  - receives ADM
  - runs on a budget, constructed in a pie chart sectioned off per area
  - operates on less money than it takes in (sets aside 10%)
  - approaches organizations to form partnerships offering what the school/students can do for them as well as what the organizations can do for Tri-City (Embry-Riddle built buildings and leased them back to the school)
  - doesn’t have debt
- NCA accreditation was achieved in the first year of operation
- Offer college credits while in high school

Dr. Halverson stated it is important to research what will be needed before a program is started and taking care of as many details as possible ahead of time. She stated she is excited to work with the quality people in the county, in charters and districts and believes they all recognize the fact that they are working together for education in Arizona. Please see packet of additional materials from Tri-City Prep School provided by Dr. Halverson.

Superintendent Horne stated he observed the Latin teacher at Tri City Prep and it was one of the most exciting 15 minutes he had spent in a high school classroom. Mr. Horne suggested that the Best Practices Division of the Arizona Department of Education add a video of this teacher on ADE’s web site. If this teacher is nominated for Teacher of the Year, the Superintendent would be happy to write a letter about his experience in the class. Mr. Horne also noted that a rich program in arts generates academic success.

## 5. BUSINESS REPORTS

### A. President’s Report

Ms. Basha attended the WestEd Board meeting last week and urged members to attend the regional meeting on October 21-22, 2004, hosted in Phoenix. The focus will be on early childhood. Mr. Ron Lally, Co-Director, Center for Child & Family Studies at WestEd, a premier researcher in early childhood education, will conduct a symposium on Wednesday afternoon. On Thursday the WestEd Board will have a dialogue with Mr. Lally in the morning, Governor Napolitano will be the guest speaker at lunch, and that evening Dr. Michael Crow, President, Arizona State University, will speak. Friday morning Superintendent Horne will address the group. Ms. Basha will confirm the meeting dates.

### B. Superintendent’s Report

Superintendent Horne stated his appreciation to be meeting in the Chino Valley area and is inspired by the musical instruments in the room as well as the artwork. Ms. Bittner commented on the mixed media used in the art.

### C. Board Member Reports

No reports were given at this time.

### D. Director’s Report, Including Discussion and Possible Legal Action

#### 1. Review and Discussion of Rulemaking Activities, Including Upcoming Public

### Hearings and Schedule for Future Board Action.

Ms. Farley presented a schedule for upcoming rules public hearings. (See materials in packet). On behalf of the Board members, Ms. Farley holds the public hearing portion of the rulemaking process and gave a brief update on the hearings held recently as well as those scheduled for the near future:

- Alternative Project Delivery Methods for school construction procurement was held recently as well as a meeting with small minority-owned business owners and the School Facilities Board. Work with the Auditor General's Office is ongoing and some recommendations should come to this Board either at the May or June 2004 meeting.
- Default proceedings for disciplinary actions. Legislation has been pursued to improve the notification process and so it is appropriate to get rid of this process in rule. The public hearing for this rule will be held the morning of May 12, 2004.
- New proposed SEI endorsement public hearing will be held in the afternoon of May 12, 2004.
- School Psychologist Certification will be discussed on June 3, 2004.
- The Early Childhood Education rules are also currently under public comment. Because supplemental rulemaking is being done, there is not a second public hearing scheduled. Approximately 50-60 participants attended the first public hearing. The recommendation was to adopt the comments from this hearing in the supplemental rulemaking package and be open for public comments to the State Board Office until the second week in May 2004.
- Braille Literacy Educational Interpreters and Single Tiered Appeals Process Rules are awaiting action in the Attorney General's Office.

### 2. Review and Discussion of 2004 Parent Satisfaction Survey Activities

Ms. Farley noted that past surveys have been handled differently and this year considering the no-call lists, and the public's reaction to receiving these calls at home, the State Board contracted with the ADE Research and Evaluation Unit to explore new ways of getting feedback and increase the number of participating parents. On April 16, 2004, a Parent Survey was put on-line and notifications were sent to all schools and districts. Hard copies of the survey are also available at the schools/districts, which parents can send in. A final report will be presented to the Board at the August 2004 meeting. Over the last five years the data has remained fairly static, so it will be interesting to see if this means of communication will change the results. Also, questions regarding AZ Learns and NCLB have been added to see if parents understand the process and know what their school's profile is.

### 3. Review and Discussion of Education Related Legislation

Ms. Farley reviewed the legislative issues that affect this Board. (See handout for all bills reviewed). **HB 2352, Schools; measures of academic progress**; school textbooks alternative format included a deadline for adopting rulemaking on this Board. A number of conversations were held in the Senate about removing that timeframe, but the amendment was not adopted on the floor and the Representative has concurred and it will remain in the legislation. Staff has communicated with members of the legislature, encouraging them to sit through the meetings of the rulemaking process in an effort to educate them about the statutory process they have in place and the difficulties we face. **HB 2353, Schools; measures of academic progress**, Superintendent's legislative initiative has passed, been signed by the Governor and our understanding is that those modifications with regard to looking at MAP in a different way under AZ Learns will be discussed for next year's profiles. **HB 2393, Education board; colleges; charter school**, to amend the membership of this Board is still moving through as a resolution to be put on the ballot. In addition to making the modification with the change to the State Community Board being eliminated, a charter representative and a lay member have been added. At this time there is still a lot of conversation

going on regarding this issue. Ms. Farley also clarified that this resolution is moving as **SCR 1022**. Regarding **HB 2579, State board; charter schools; continuation**, there are a lot of personality conflicts going on this time of year and this has been added into **SB 1316, Education omnibus**, which has become the omnibus bill of four or five issues that have died throughout the legislative process and is being “Christmas-treed” as we move along. Support slips on behalf of this Board for continuation of the State Board for Charter Schools have been submitted. Should the legislature fail to do this the expectation is that the State Board would take this responsibility back and we have clearly communicated to them that that the Charter Board needs to continue, which has a very specialized focus and on behalf of the State Board of Education and our charter schools and is providing a tremendous service in oversight and assistance to those schools. **HB 2618, Schools; TAPBI program**, extended provided services to kindergarten and first grade students where a sibling has not been attending these schools previously. This bill was vetoed by the Governor stating it was premature until all-day kindergarten is in place and we understand the impact of learning in our very young students before moving toward full online education for this population. **SB 1316, Education omnibus**, currently in House conversations and we are expecting several floor amendments and will update members as they are added. **SB 1346, Schools; performance based pay**, at this point was not heard in House Appropriations. There is discussion about whether this will be added to the Omnibus Bill as well. The AEA, ABEC and other organizations are encouraging movement on some agreed-upon process.

Ms. Farley stated we have full confirmation of the two new Board members, Ms. Joanne Kramer and Dr. John Pedicone and that we are happy to have them fully confirmed.

Ms. Bittner expressed appreciation for the comprehensive report. Dr. Pedicone stated it was a good experience to appear before the Senate committee.

#### 4. Other Items as Necessary

None mentioned.

#### 6. CONSENT ITEMS

Ms. Basha stated that Item 6C has a modification to the list and asked for a motion to approve the Consent Agenda with the exception of Item 6C. Motion by Ms. Hilde. Seconded by Dr. Diethelm. *Motion passes.*

- A. Consideration to Approve Contract Abstracts
- B. Consideration to Approve Modifications to the Year-Round School Allocation Formula.
- C. Consideration to Approve Withholding 10% for the Following State Board for Charter Schools-Sponsored Charter Schools for Failure to Submit Their Annual Financial Audit as Required by A.R.S.§15-914 and the USFRCS:
  1. Academy of Hope
  2. Aprender Tucson
  3. Ascending Roots Scholastic & Athletic Premise, Inc.
  4. Aztlan Academy, Inc.
  5. Black Family & Child Services, Inc., Teen Choice L
  6. Casa Blanca Middle School
  7. Cesar Chavez Middle School, Inc.
  8. E.A.G.L.E. Academy, Inc.
  9. EcoTech Academy of Science & Agriculture
  10. Founding Fathers Academies, Inc.
  11. Griffin Foundation, Inc., The
  12. Jefferson Patriots, Inc.
  13. Luz Social Services, Inc.
  14. Montessori Academy, Inc.
  15. Multi-Dimensional Literacy Corp.
  16. Premier Charter High School

17. Progressive Junior High School, Inc.
18. Progressive Leadership Academy
19. Shonto Governing Board of Education, Inc. (grades K-8 charter)
20. Shonto Governing Board of Education, Inc. (grades 1-12 charter)
21. Tertulia: A Learning Community
22. Vision Charter Schools, Inc.

Ms. Farley delineated that the timeline in which the State Board for Charter Schools conducts hearings within and the State Board of Education meetings, some reports are received after the agenda has been drafted, moving the school(s) into compliance. The following schools have submitted their audit and should be removed from this list:

8. E.A.G.L.E. Academy, Inc.
12. Jefferson Patriots, Inc.
13. Luz Social Services, Inc.

This brings the total to 19 out of almost 500 schools, which is a very good ratio. Ms. Farley asked the Board to move to withhold 10% of funding from the remaining 19 schools due to non-submittal of their audit as required by statute. Motion by Dr. Pedicone. Seconded by Ms. Kramer. *Motion passes.*

- D. Consideration to Approve Allowing Sanders Unified School District to Budget and Accumulate in the Unrestricted Capital Section of Their Budget.
- E. Consideration to Approve Staggered Terms for Career Ladder Advisory Committee Members.
- F. Consideration to Approve an Amendment to Increase Grades Served Under the Legacy Schools Charter.
- G. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Approve the Negotiated Settlement Agreements for the Following Individual:
  1. Daniel Shirley, Case #C-2003-083
  2. David Akins, Case #C-2003-034
- H. Consideration to Accept the Voluntary Surrender of the Credentials of the Following Certification Cases:
  1. David B. Hermann, Case #C-2004-010
  2. E. Michael Livingston, Case #C-2002-126
  3. Gary D. Perkinson, Case #C-2004-041
  4. Charles Hoyt, Case #C-01-100
- I. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Approve Certification for the Following Individuals:
  1. William Lewis, Case #C-2004-005
  2. Peter Hedding, Case #C-2004-026R

Dr. Pedicone asked for clarification regarding when an individual gives up their right for certification. He understands that something is placed in a file and notification is given in the event the individual applies for certification in another state. Dr. Pedicone asked if we become aware of the request by an individual for certification elsewhere and if this becomes public information.

Mr. Yanez responded that when a person voluntarily surrenders their teacher credential, it is public record and notice of the surrender is sent to all states and territories so that if that individual were to apply in another state they would receive notice and can ask for whatever public record information we have. It happens the other way also, in that other states notify us.

Dr. Pedicone asked if the reason for surrender is public record, to which Mr. Yanez replied, yes.

7. CALL TO THE PUBLIC

No requests were received.

8. SPECIAL PRESENTATION

Presentation, Discussion and Opportunity for Public Input Regarding the Definition and Characteristics of a "Master Teacher", Including an Update from the Working Group Discussion.

Ms. Farley presented highlights from the April 13, 2004 meeting of the working group, listing participants and issues discussed. Additional teachers may be added to the group as discussions continue. In addition, Mr. John Wright, Vice President, Arizona Education Association, who was unable to attend the April 13 meeting, will be included in subsequent meetings to provide dialogue and feedback. Ms. Farley emphasized the group's agreement on the importance of starting with a manageable program, mentoring and coaching aspects, eligibility requirements and framework, and how to evaluate the extended service to parents and the community. *Please see outline in materials packet.*

9. GENERAL SESSION

A. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Deny Certification for the Following Individual:

1. Jeffrey Eger, Case #C-2003-90

Mr. Yanez presented the background information and added that a letter was received today from Jack Confer, Executive Director of the Arizona State Board of Optometry stating that Dr. Eger's licensure status remains in good standing without any prohibition or restrictions.

Dr. Eger addressed the Board stating that he wants to teach, has taught in 1969 and 1971 in Ohio, has something to offer, and enjoys his commitment to children. Dr. Eger stated he wanted to apologize sincerely for matters that have seemingly thwarted his efforts to become certified to teach. Dr. Eger responded to the five factors given as the basis for the PPAC's decision:

- He answered question #4 on the application incorrectly and admitted to that. He answered the question previous to #4 correctly and truly thought that since his optometry license had never been suspended or revoked that this question somehow related to the preceding question. He stated that he corrected this mistake on his own, voluntarily bringing it to the Board's attention, without ever abusing the mistake he made.
- The blemishes before the Board of Optometry occurred many years ago, did not involve honesty or integrity and did not result in any suspension or revocation whatsoever. The matters were corrected as recommended by the Optometry Board and he successfully completed everything that was asked of him.
- Dr. Eger apologized for having not typed his application. He stated this was not a reflection on the importance or significance he attached to the application process.
- Dr. Eger stated there is nothing in his record that would indicate his unfitness to work around children and respectfully asked the State Board of Education to act favorably upon his application. He added that he has a background in looking at kids with perceptual problems and will not bring up perceptual exercises or anything like that unless the principal asks him to. Dr. Eger stated he went to military school, knows what an honor code is; he graduated from the Valley Forge Military Academy and honor is very important in the classroom and as a teacher he will reflect that. He stated he was sincere about this and understands the chain of command and will not do anything without the respect and counsel of the principal to bring anything up that might help children to excel in elementary school.
- Dr. Eger again asked the members to accept his apologies and see the bigger picture and understand his sincerity in wanting to teach children.

Ms. Kramer asked why Dr. Eger decided to go into education at this point in his life. Dr. Eger replied that due to changes in the HMO fields and third party care, sometimes his hands are tied in giving direct and



honest advice to people as to whether their plans cover things or not, and because of his background in military school, it is tough to be direct when dealing with three parties involved in taking care of people. Dr. Eger cited an experience where he helped a 12-year-old child who is now graduating from ASU with honors. He stated that he enjoys interaction with children and elementary children are very receptive. Dr. Eger stated his concern regarding news articles about kids who can't graduate from school and have AIMS test problems and that he believes he has another outlook but will not subject it onto a school and is sorry he created a problem when he brought this up. He stated the Chinese do this and do quite well in school, starting some of these exercises in the fourth and sixth grades. Dr. Eger stated he brought this up and didn't realize it would cause a controversy. He stated his concern is seeing that children become good citizens, will succeed in their own business or working for someone else knowing how to take orders and follow through with integrity.

Ms. Hilde asked Mr. Yanez if, in his opinion, the letter from the Board of Optometry submitted this morning changes the last line in the findings by the PPAC. Mr. Yanez stated he did not believe it does. What the PPAC considered was the two historic actions the Board of Optometry had taken. Mr. Yanez stated he believed Dr. Eger had presented information to the PPAC indicating he was currently in good standing. However, this letter was not in the PPAC's packet.

Further discussion ensued in an effort to clarify the decision of the PPAC given the information available to them. Ms. Hilde asked if the State Board of Optometry required inspections and Dr. Eger responded that they do spot inspections with offices and patients. Ms. Basha asked about the two mitigating facts that the PPAC found and Mr. Yanez stated they were Dr. Eger's initiative to re-think and re-submit his application and his sincere desire to make a difference. Ms. Epstein provided a broad perspective regarding aggravating and mitigating circumstances, stating that if there is something in an application that could suggest a concern with immoral or unprofessional conduct, the PPAC conducts a screening review, which is not a full administrative hearing, but an informal process. The PPAC's task is to determine whether they rise to the level of immoral or unprofessional conduct and exhibit unfitness to teach. After the PPAC has followed this process, they bring a recommendation to this Board as to whether they believe it is immoral or unprofessional conduct. Mr. Yanez responded to a question from Ms. Hilde regarding the process by stating that this is not just a paper screening, but Dr. Eger was present before the committee in which an interview was conducted. Ms. Epstein added that should the Board decide to accept the recommendation of the PPAC and deny the application, Dr. Eger would have the right to a full hearing.

Mr. Horne stated that he hopes legislation will pass that will put this matter in the hands of the Board that spends its full time doing this, because this State Board does not spend the amount of time that the PPAC does in this process. In addition, Mr. Horne stated that he had suggested members of the PPAC may want to have someone present at these Board meetings to explain things and he guessed they have chosen not to do that. Mr. Horne stated he is having trouble with this one and asked if the reason for the decision was based on Dr. Eger's having written out his application. Mr. Yanez stated he did not believe this was the sole basis and that the PPAC spent close to an hour interviewing Dr. Eger talking about a variety of issues. Dr. Pedicone stated he felt something was missing, that he respected the decisions of the PPAC, but that he sees someone who wants to teach and seems to have a degree of honesty in reporting the information correctly. Dr. Pedicone noted that perhaps initially there was a lack of candor on Dr. Eger's part, also. Dr. Pedicone stated he is uncomfortable with this decision because they are missing something, and if not, he has trouble with the recommendation. Mr. Yanez added that members have the exact information that the PPAC had and all the substantive issues had to do with the Board of Optometry and his application. There were no other matters brought before the PPAC. Mr. Yanez stated he did not believe the Board members are missing anything.

Dr. Diethelm asked if one option is to remand this case back to the PPAC. Ms. Epstein confirmed it was an option. Dr. Diethelm asked if that would result in another interview and perhaps sharper set of data, bringing more useful information? Mr. Yanez explained that he did not know if there was new information for the PPAC and based on his understanding the only item the PPAC hasn't considered is the letter

distributed today. However, Mr. Yanez stated he believes the PPAC had the pertinent information at the time of their review. Mr. Horne stated that if this is remanded and based on the information given, the State Board is not comfortable with denying the certification. This may cause the PPAC to rethink the recommendation. Dr. Pedicone stated that if there is no new information this would only postpone Dr. Eger's certification. A settlement agreement could be recommended, but there is nothing to settle. Motion by Dr. Pedicone that based on the findings of fact the State Board approves the certification for Dr. Jeffrey Eger. Seconded by Dr. Diethelm. Ms. Farley clarified that the motion is to approve certification for Dr. Eger based on the mitigating factors found by the PPAC and Dr. Pedicone concurred. *Motion passes.*

B. Consideration to Accept the Recommendations of the Professional Practices Advisory Committee and Revoke Certification for the Following Individual:

1. Toby A. Willits, Case #C-2003-008

Mr. Yanez presented background information and recommendations by the PPAC. Motion by Dr. Diethelm to adopt the findings of fact and conclusions of law of the PPAC that Mr. Toby Willits engaged in immoral and unprofessional conduct and deny certification for Mr. Willits. Seconded by Ms. Kramer. *Motion passes.*

C. Presentation and Discussion of Development Activities for the Articulated Academic Standards in Science, Writing and Social Studies and Presentation and Discussion of the Draft Revisions to the Writing Standards.

Ms. Mancuso, Deputy Associate Superintendent for Standards Based Teaching and Learning, Arizona Department of Education, presented background information regarding the process of revisiting the academic standards to revise, refine and articulate them by grade level. This is being done to comply with NCLB that requires annual assessments in reading and mathematics in grades 3-8 and high school and periodically in science. The reading and mathematics standards were adopted by the Board last Spring and science, writing, and social studies standards are now being articulated. The timeline is as follows:

- science content standards went for public review in February 2004
  - standards committee is responding to public comment
  - will submit to the State Board for approval in May 2004
- writing standards are under development and scheduled for public review in May 2004
  - will submit to the State Board for approval in June 2004
- social studies standards are scheduled for public review in September 2004
  - will submit to the State Board for approval in October 2004

Ms. Kathy Kay, Director, Standards Development Process, Arizona Department of Education, presented a report of progress on the committee's work on the various standards committees:

- writing committee has met 4 times since January 2004
  - aligning with the format of the reading standards (see agenda item overview form)
    - three strands: process, components, and applications (modes)
  - used current research from around the country, utilizing other state standards
  - draft will be ready for public review May 5-28, 2004
  - three hearings scheduled: Tucson on May 17, Phoenix on May 19 and Flagstaff on May 20
  - will submit final draft to the State Board in June 2004
- social studies draft has begun for K-4
  - invitations will be given in May 2004 for more teachers to apply as committee members working on the articulation
  - meetings will begin in June with sub-committees working July – September
  - draft ready for public review in September 2004
  - will submit draft to the State Board in October 2004
- science public hearings were very successful with attendances of 50 in Peoria, 100+ in Mesa, 70+ in Tucson, 50 in Flagstaff, 25 in Showlow, and 15 in Yuma. Approximately

10-15% of attendees chose to make public comments.

- many positive comments have been received
- review with ABEC
- feedback brought criticism which was appreciated:
  - amount of content at each grade level
  - choice of content at each grade level
  - continuity within a grade level
  - middle school content
  - specificity of the performance objectives
  - strengthen the biological/evolution concept at the high school level
- committee met three times to address these issues and amended the draft
- Crosswalks will show continuity to current science standards
- Will submit final draft to the State Board in May 2004

Please see materials packet for complete information.

Superintendent Horne stated that he agrees with a letter from Dr. Crow that all Board members have received and requested that the Standards Development Committee address the specifics raised in the letter. The status of the current recommendations should be consistent with Dr. Crow's recommendations. Dr. Diethelm agreed and stated that he struggles with what is referred to as a crosswalk and asked for a "tracing" of "where it was and where it is".

Ms. Kay stated that the crosswalk is developed with the teachers and the practice is to put the crosswalk together after the final draft is completed. Ms. Kay also added that the committee has addressed all concerns raised by Dr. Crow.

Ms. Basha expressed the Board's appreciation for this update.

D. Presentation, Discussion and Consideration to Approve the AZ READS Task Force Recommendations, Including, But Not Limited To Definitions of Motivational Reading Assessment and Intensive Reading Instruction Pursuant to A.R.S. 15-704.

Ms. Mancuso, Deputy Associate Superintendent for Standards Based Teaching and Learning, Arizona Department of Education, presented background information on behalf of the School Effectiveness Division and delineated the activities of the AZ READS Task Force since November 2003:

- examined the scientific research, instructional practices and issues specific to early reading assessment and intensive intervention
- drafted consensus recommendations for consideration by the State Board in defining these subsections
- submitted the report to the State Board (see materials packet)

A consensus of items the Task Force has agreed upon was presented at the last State Board meeting, which included:

- consensus to recommend the use of valid and reliable K-3 reading assessments;
- consensus to recommend the assessments as having sufficient technical merit;
- consensus to recommend a short list be compiled and procured by the State as a service to schools and the implementation of subsection A;
- consensus to notify all schools with K-3 classrooms of the intent of the State Board to consider the recommendations for the implementation of subsection A and D of A.R.S. 15-704; and
- consensus to seek public comment on these recommendations prior to bringing them to the State Board for action.

Ms. Mancuso stated that the Task Force still has to provide the State Board with an overview of the research and its implications for instructional practice, upon which the legislation and recommendations of the Task Force are based. She added that originally they were scheduled to present these recommendations today for Board action, but respectfully request that the Board hear today's presentation as an information

item that will provide the backdrop and context for the Task Force recommendations and that action be taken at the May 2004 Board meeting. In the next week or two, the following documents will be delivered to the State Board for review and consideration:

- today's presentation;
- report of the Task Force including recommendations;
- results of the survey conducted by the Research and Policy Division about current practices in K-3 schools regarding early diagnosis and intervention;
- the report of public comment to the recommendations;
- end of the year Reading First data; and
- results of the Request For Proposals solicited over the last month regarding assessment systems that schools might select to implement this legislation.

Ms. Mancuso and Dr. Carrie Hancock, Education Program Specialist, Arizona Department of Education, gave a PowerPoint Presentation regarding AZ READS and Assessment: From General to Specific. Please see presentation in materials packet.

Ms. Hilde stated the presentation was excellent and it means a great deal to have the opportunity to go back and look at past data, which is critical. She asked if the research to provide an instructional plan for each student includes every student or just those identified as needing additional assistance in reading. Ms. Mancuso replied that this is just for those students who are falling behind, who are at-risk.

Dr. Pedicone stated that a critical area is training teachers. Ms. Mancuso responded that training and efficiency are being taken into serious consideration, which is why the Task Force decided to recommend a short list be developed from which schools/districts may choose. This is not to mandate assessment but to provide a choice from the best assessment systems that have been identified as being able to perform the tasks with minimal investment of time and training of teachers. The assessments are quick to administer and the results come back quick. The key is teaching the teachers how to use the data.

Ms. Bittner stated that three counties (Graham, Gila and Greenlee) have gotten together and utilize the reading specialists.

Ms. Kramer noted that she is part of the Dynamic Indicators of Early Reading Skills (DIBELS) assessment team in her Reading First school having received training from Dr. Hancock. At the beginning of the year about 60% of the students were not meeting the benchmark and now only about 10% are being tested.

Ms. Mancuso commented that they have provided data to the Governor's Office regarding half-day versus full-day kindergarten and will provide entry level kindergarten data for the School Readiness Board so they can see what skills students have when they come into kindergarten and how many are at risk.

Ms. Basha voiced the Board's appreciation for the presentation and stated that there has been a dirth in Arizona regarding information in this area. This will play a greater and more important role as this work continues.

*Motion to adjourn for lunch at 1:00 PM. Superintendents from neighboring districts as well as governing board members from Chino Valley, Prescott, Humboldt and other Tri-City areas joined State Board members for lunch. Ms. Epstein clarified that lunch is open to members of the public if they want to hear the conversation. The Heritage Middle School jazz band entertained at lunch. Conversations during lunch included, but were not limited to, issues of joint concern regarding school-related activities and discussion of local issues.*

*Meeting re-convened at 2:00 PM.*

- E. Consideration to Approve Withholding 10% for the Following State Board of Education-Sponsored Charter Schools for Failure to Submit Their Annual Financial Audit as Required by A.R.S.§15-914 and the USFRCS:
1. Developing Innovations in Navajo Education, Inc.
  2. Florence Crittenton Services of Arizona, Inc.

3. Gan Yeladeem: The Looking Glass School
4. Precision Academy Systems, Inc.
5. Salt River Pima-Maricopa Community Schools
6. Twenty First Century Charter School, Inc.
7. Vechij Himdag Alternative School, Inc.

Ms. Farley gave an update as to the current status of this list, noting that at this time reports have been received from all but two of the schools. In the past, State Board policy allowed schools to submit audits on a different timeframe because of their calendar and the timing of their fiscal years. The current deadlines have been communicated to these schools; however, a couple are still operating as if they were under previous understanding. With permission from this Board today, notification will be given to these schools that their modified calendar for this year will be allowed, but beginning next year all schools will be under the March 31 timeline, with no exceptions. Two additional schools have submitted their audits in the meantime, so the following schools should be removed from today's list:

- Developing Innovations in Navajo Education, Inc.
- Florence Crittenton Services of Arizona, Inc.
- Precision Academy Systems, Inc.
- Twenty First Century Charter School, Inc.
- Vechij Himdag Alternative School, Inc.

Schools #3 Gan Yeladeem: The Looking Glass School and #5 Salt River Pima-Maricopa Community Schools are the only two schools sponsored by this Board who have not submitted audits. Ms. Farley stated this is two of less than 35 schools still sponsored by this Board.

Ms. Hilde asked if the names of the schools on a modified calendar needed to be listed to make the motion. Ms. Farley stated that schools #1 and #6 are still on the old schedule but did not need to be specified separately. Motion by Ms. Hilde to find the two schools listed by Ms. Farley (Gan Yeladeem: The Looking Glass School and Salt River Pima-Maricopa Community Schools) in non-compliance with the annual financial audit requirements and approve withholding ten percent of their monthly apportionment of state aid until a FY2003 annual audit and questionnaire is submitted as required by A.R.S. §15-914. Seconded by Dr. Diethelm. *Motion passes.*

F. Presentation, Discussion and Possible Consideration for Action Regarding C.I. Wilson Charter School's Audits as Required by the Consent Agreement with the State Board of Education and State Law.

Ms. Farley suggested that based on new information received this morning from C. I. Wilson Charter School they be allowed to first address the Board through their legal counsel. Staff will follow up with addressing issues regarding audit agreed-upon procedures overview, current status with ASRS and Exceptional Student Services.

Mr. Leo Condos, Attorney for C. I. Wilson Academy addressed the Board stating that the Board has worked for a long time with the C. I. Wilson Academy in taking care of the 600 children and 79 employees. In trying to help the school overcome some of the internal management operation problems, the school has fulfilled all items on the settlement agreement. Unfortunately, C. I. Wilson Academy continues to run into a number of problems, including the recent withholding of \$200,000. This has necessitated management and advisors to determine the best interest of the students. Quite a bit of money is being taken out of the operational funds to take care of accounting and internal aspects. The school has decided it might be best for the students if they look for another charter school to take over their operations. To this effect, they have five potential suitors, which are existing charter schools that are very interested in taking over the site and possibly the students. Depending on the best choice, they would probably open this up as another site under their existing charter. C. I. Wilson Academy is prepared to make the decision that this is its last year. Mr. Condos reiterated that C. I. Wilson Academy has fulfilled and abided by the consent agreement including the agreed-upon audit, and even though there is some overview the State Board has looked through, he pointed out that the Board's efforts in trying to help the

school get organized did not go for naught. Mr. Decker, Auditor for C. I. Wilson Academy, was present to answer any questions as to the procedures submitted by the staff. Mr. Condos also pointed out that on an educational and financial level, C. I. Wilson Academy has been moving forward pursuant to the Board's request. Attendance procedures were performed with no discrepancies, as well as the drawdown of grants, Title I, and purchases with cash. Most of the issues are with posting. Mr. Condos continued that too many surprises keep coming up to make this school viable with the existing management and existing corporation as it is. Mr. Condos is submitting that C. I. Wilson is going to be closing its charter school effective June 30, 2004, and after that time they will be working on closing up many questions/paperwork still needed. There is about \$400,000, supplement to the lunch program, that the state has now. Within the upcoming 30 days, Mr. Condos anticipates that with the Board's approval, C. I. Wilson will be able to come back to the Board with identification of a charter who is going to take over the site and take care of the 600 students and 79 employees and continue this inner city school. In addition, Mr. Condos informed the Board that Mr. Wilson is going to be taking a hiatus from the charter school business and will not be involved in any of the new sites in any position. Mr. Wilson is still committed to the betterment of education for kids. Mr. Condos stated that people who believe in the school will provide the interim shortfall that will be needed to finish the school year. They will be paid back from the next two installments. During that time, the school lunch program issues will hopefully be resolved. Mr. Condos asked the Board to allow C. I. Wilson Academy to move toward a clean closure and not issue an intent to revoke.

Dr. Pedicone asked for clarification as to whether the Board is to act on the new information, retract the charter or take no action allowing the transition plan to take place.

Ms. Farley provided the history of events leading to today's information, stating that on Friday, April 23, 2004, late afternoon, she was advised that Mr. Wilson will be surrendering the three charters that are under the State Board for Charter Schools. We will work with the Charter Board staff to prepare necessary documentation to go to their Board for a formal surrender. What has been presented is that another charter school would seek to add a site to their charter and Mr. Wilson would surrender his charter to this Board. All documentation needs to be worked out over the next month with Mr. Condos in order for the Board to have this in a timely manner so they are not crossing fiscal years; it is important to have that at the May 2004 meeting in order to finalize the determination. Ms. Farley mentioned that other options before the Board would be to take no action upon receiving additional information and answering questions about the consent agreement to determine non-compliance with the consent agreement or to issue the intent to revoke.

Dr. Pedicone asked why the surrender would not be accepted? He asked if the Board decides to move forward to revoke, are there penalties imposed on C. I. Wilson that would not be imposed if the surrender is accepted? What are the implications?

Ms. Farley responded that the process in the intent to revoke is more formal and time consuming, which includes a 90-day process, a hearing, etc. The outcome is no different, with no additional penalties as long as all the documentation is prepared and the surrender is followed through.

Dr. Diethelm asked if C. I. Wilson is done if they surrender and Ms. Epstein responded this was right. Dr. Diethelm stated that if the Board proceeds with the intent to revoke and the 90 days process begins, C. I. Wilson can still proceed down the proposed path to surrender. The intent to revoke is to encourage C. I. Wilson to move this as efficiently and effectively as possible.

Mr. Condos added that with an intent to revoke the 90-day process is a problem. Until the charter is revoked C. I. Wilson would get July and August payments for the number of students submitted and then the state would have to get those funds back some way. The reality of a letter of intent to revoke is that it carries an extremely bad connotation that this school is being closed and in turn affects the suitors. At this point, the suitors have looked at the books and see a management problem but believe their operations can fix these problems. An intent to revoke can create fear among the parents and teachers, could affect the continuity of what is going to happen and keep the school from being able to pay the teachers and stay in operation to the end of the school year.

Dr. Pedicone reiterated that if C. I. Wilson gives up its charter, there could be a smooth transition, details need to be in writing saying in 30 days this charter is done and no longer in place. He also asked if they were selling the business and Mr. Condos responded that the suitors are short-term investors with “hard money” at an increased percentage commitment fee, because of the kids.

Dr. Pedicone asked if there was anything to keep investors from taking public monies as a result of this arrangement and if state funds are protected. Ms. Epstein explained that if the Board follows the suggested review of documentation concerning surrender of the charter, all these issues would be unwound. All terms of surrender would deal with any public debt, state fund debt, etc. The other aspect of it is if arrangements are made to add this school site to an existing charter that charter holder would have to go to their charter sponsor and seek approval for an amendment to their charter to allow them to add an additional site which would not be granted until they were in compliance with all laws, etc.

Ms. Farley added that there is nothing that allows the state to cease paying state aid until either the charter is surrendered and all documentation is submitted or until the intent to revoke proceedings are complete.

Dr. Pedicone asked if once the charter is surrendered and approved with a deadline date, the state payments cease.

Ms. Hilde asked if it is possible to approve the drafting of a letter of memorandum delineating the Board’s understanding regarding date charters are to be surrendered so the Board has some guarantee that if the notice of intent to revoke is not issued that indeed all these other actions are going to take place.

Ms. Epstein stated that all assurances and issues will be worked out when paperwork is presented at the next Board meeting regarding the surrender. If they are not able to be worked out, the Board is free to issue a notice of intent to revoke at that time.

Ms. Farley noted that any of these concerns stated by members can be included in today’s motion to ensure they are addressed as the paperwork is being prepared.

Mr. Condos stated he is willing to state, on behalf of C. I. Wilson, that the school will not operate in the 2004-2005 school year if a letter of intent to revoke isn’t issued. If the letter is issued, a potential problem may be created since a hearing may not happen until July or August and then the July payment may be harder to collect back after it has been issued. Mr. Condos asserted that C. I. Wilson will take all necessary steps to find a new operator for its site and enter into a termination agreement with the Assistant Attorney General and Executive Director to be submitted to the Board, in an effort to wrap this up as expeditiously and economically as possible.

Ms. Bittner stated that if the fiscal issues can be worked out and not put the school in a bad light; work should be done with the children in mind. She stated she is still a little off-balance with the information being different than what was expected.

Superintendent Horne clarified that if Mr. Condos is authorized to speak for C. I. Wilson and they are willing to surrender their charter and not expect payments after June 2004, Mr. Horne believed this is acceptable. Mr. Wilson acknowledged that Mr. Condos is authorized to speak for the academy.

Dr. Pedicone asked if this should be in the form of a motion, and Ms. Farley stated that a motion stating the expectations of this Board would be helpful. Ms. Farley also reminded members that Ms. Michelle Diamond, Director of Government and Financial Affairs, State Board for Charter Schools, was present to address any questions from members prior to action.

Motion by Superintendent Horne that the Board take no action in reliance on the representation of the C. I. Wilson Charter School that it will surrender its charter and expect no payments after June 2004. Seconded by Dr. Pedicone.

Ms. Hilde asked the staff for the State Board for Charter Schools to share any information the State Board should be aware of around the motion that is on the table.

Ms. Diamond stated this information was presented to her about an hour ago and her original information was now irrelevant. Mr. Diamond stated she had spoken with Ms. Kristen Jordison, Executive Director, State Board for Charter Schools and upon reflection wanted to bring forward her concerns regarding future implications and the non-compliance issues that still plague C. I. Wilson Academy. These issues still reside at the school level, so for whoever takes on that school (site or charter), some of these issues

will continue and will need to be addressed, i.e., school lunch program where money is owed and the State Retirement System where C. I. Wilson Academy is still out of compliance. Ms. Diamond asked for clarification from Mr. Condos as to whether C. I. Wilson Academy would be forfeiting grades 7-12 and only operate a K-6 school or whether those grades will be incorporated into the new site.

Mr. Condos responded that C. I. Wilson will not have any schools. The new operators will handle the site under their particular charter agreement and operate this site under those parameters. C. I. Wilson will have nothing to do with this.

Ms. Diamond responded that this is new and she is not sure of the implications except that if the Charter Board schools that cover grades 7-12 don't exist anymore for anyone to assume, all that is left is the C. I. Wilson Academy charter. She added that there has to be something in existence to be assumed.

Ms. Farley clarified that the proposal being offered by Mr. Wilson is that the charter held by this Board will be surrendered and whatever new entity is going to take on that site will have to amend their charter contract to add the site.

Dr. Diethelm asked when a new entity extends their charter and takes on this site and schools, will the new entity assume any previous debt? Would a charter be approved that did assume previous debt?

Ms. Diamond responded that she was very confused because the debt exists and someone needs to be responsible for that debt. In addition, she clarified that all charters would be surrendered and parents would be asked to move their children to a completely different school with a completely different mission. She stated she was unclear on the status of the ADM overpayments, school lunch issues, as well as the ASRS issues with present employees.

Ms. Farley noted that Mr. Wilson under terms of his charter contract should be responsible for all of those issues, even though the charter is surrendered.

Ms. Epstein confirmed that she believed this is true but the details and how the money flows is what needs to be worked out and noted that a surrender would not be considered with outstanding issues of public funds, since state law does not authorize relieving a debt of public funds even though a charter is surrendered.

Superintendent Horne noted that the issue before the State Board today is whether to revoke the charter or that the charter is being surrendered more quickly than it could be revoked. He stated that other problems that may arise later on can't be dealt with now. He added that if a new entity operates at this site, parents will be able to decide whether their children will continue to attend school there or move them to a district school. Mr. Horne stated that the only decision before the Board today is whether to revoke and the offer is better than that, the surrendering of the charter, which seems the best this Board can do in dealing with this situation.

Dr. Pedicone reiterated that if debt is owed to the state and the charter is surrendered, someone owes the debt. Therefore, if C. I. Wilson owes the debt, the state attempts to collect from Mr. Wilson, and hypothetically Mr. Wilson goes bankrupt, then the state can't get the money. Dr. Pedicone stated his concern is whether this is different than moving forward on a revocation where there may be other legal standing which may be more secure.

Ms. Hilde added her understanding is that all capital assets of a charter school belong to the owner of the charter and asked for clarification.

Ms. Diamond responded that there is a difference as to whether the charter is non-profit or for-profit and what the by-laws state. As a non-profit corporation, according to the I.R.S., no one benefits, including the administrator, who is not allowed to receive an excess benefit, and the straight assets of the corporation would be donated. Ms. Diamond added that the Charter Board refers surrendered charters to the Attorney General's Office for collection when money is owed to the state. This can also be done with the C. I. Wilson charter if money is still owed to the state at the time of surrender.

Mr. Condos added that the state already has \$400,000 in monies held back in the lunch program and the question on attendance. The schools financial consultants have informed Mr. Condos that part of the reason for the problems is a discrepancy in the reports and C. I. Wilson Academy does not think they owe this much. Therefore, at this time, the state already has \$400,000 to cover monies owed.



Dr. Diethelm voiced his support of the Superintendent's motion.

Ms. Farley re-stated the motion, the Board moves to take no action at this time in reliance of representation by Mr. Wilson and his representative, that the C. I. Wilson Academy charter will be surrendered to this board and they will accept no payment after June 2004.

*Motion passes.*

10. Pursuant to A.R.S. §38-431.03(A) (3) and (4), the Board may vote to go into Executive Session for consultation and legal advice and/or for instructing the Board's attorneys regarding the Harcourt AIMS Dual Purpose Assessment Bid Protest.

Motion by Dr. Pedicone to move into Executive Session for consultation and legal advice and that following the Executive Session the State Board of Education regular session meeting will adjourn.

Seconded by Ms. Hilde. *Motion passes.*

12. ADJOURN at 2:45 PM.